



STATE OF INDIANA

OFFICE OF THE TREASURER

RICHARD MOURDOCK

317-232-6386
WWW.IN.GOV/TOS

FOR IMMEDIATE RELEASE

05.20.09

Contact: Christopher Conner (317)232-6387
cconner@tos.in.gov

Indiana Treasurer Richard Mourdock, Pension Funds, File Sole Objection in Chrysler Bankruptcy Sale

Indianapolis, IN (May 20, 2009) – Indiana Treasurer Richard Mourdock announced that two state pension funds have filed with the US Bankruptcy Court presiding over Chrysler's Chapter 11 case objecting to the proposed sale of substantially all of Chrysler's assets and seeking the appointment of a trustee to protect their security interests and property rights. Indiana was the sole creditor to file objections with the court.

The papers, which also include a motion to withdraw the litigation to federal district court, were filed on behalf of the Indiana State Police Pension Trust and the Indiana State Teachers' Retirement Fund– which are fiduciaries for the investment of retirement assets for approximately 100,000 civil servants, including policemen, school teachers, and their families – and the Indiana Major Moves Construction Fund, an infrastructure construction fund. The papers were filed in US Bankruptcy Court for the Southern District of New York on May 19, 2009.

As stated in the filings, the US Treasury Task Force is seeking to use the Chrysler bankruptcy to extinguish the property rights of the pension funds as secured lenders, violating the most fundamental tenets of creditor rights in disregard of widely recognized bankruptcy jurisprudence. The proposed restructuring of stakeholders' rights seeks to make payments of billions of dollars to unsecured creditors, while paying the secured creditors only 29 cents on the dollar.

"As fiduciaries, we can't allow our retired police officers and teachers to be ripped off by the federal government. The Indiana state funds suffered losses when the Obama administration overturned more than 100 years of established law by redefining 'secured creditors' to mean something less," explained Treasurer Richard Mourdock. "The court filing is aimed not only at recouping those losses but also reasserting the rule of law and preventing the federal government from pursuing policies that strike at the heart of the capital system."

The pension plans have also sought the appointment of an independent trustee to protect the assets and stakeholders of Chrysler from further harm. This request is based on public statements and testimony already made by Chrysler in the Chapter 11 bankruptcy case that the US government has assumed control over the fundamental aspects of Chrysler's reorganization, thereby interfering with Chrysler's ability to properly perform its fiduciary duties to stakeholders.

The court filing follows a May 18 announcement by Treasurer Mourdock that curtails portfolios under his control from making additional investments in secured corporate debt of businesses that are receiving or will be receiving federal bailout money.